

## OFFICE OF INSPECTOR GENERAL FY 2002 PERFORMANCE MEASURES

**Objective:** Audit and evaluate the Agency's programs and operations to promote economy, efficiency and effectiveness.

Performance Goal I - Deliver quality audit and inspection products and services that are useful to the Board, management and/or the Congress.	
Output/Criteria	Outcome/Impact
<p>Audits and inspections are relevant. Audit coverage includes all mandated audits and at least 75% of those suggested by the Board and management. Risk is addressed. 100% of OIG audits are performed in high risk/high \$ programs and activities and/or are tied to the Agency Strategic planning goals.</p> <ul style="list-style-type: none"> <li>• OIG reviewed FCA's mission critical systems in accordance with the Government Information Security Reform Act and audited FCA's financial statement by contracting with CPA firms.</li> </ul> <p>Findings made during audit fieldwork are recognized and corrected by management prior to drafting of the audit or inspection report.</p> <p>Products are timely, i.e. average time to complete audits and issue draft reports will not exceed 6 months.</p> <p>Audits are constructive. At least 75% of audit products contain recommendations to improve Agency operations. The Agency accepts at least 80% of OIG audit recommendations. The Agency actually implements all corrective actions prescribed by management decisions.</p> <ul style="list-style-type: none"> <li>• 100% of audit products contain recommendations to improve Agency operations.</li> <li>• OIG's audit of the Office of the Chief Financial Officer contained 9 agreed upon actions to improve office operation and reduce cost; 6 have been implemented.</li> <li>• OIG's audit of FCA's Contracting Activity contained 8 agreed upon actions and two recommendations to improve the procurement process; 6 have been implemented.</li> <li>• OIG's audit of the financial statements for FY 2001 was accompanied by a management letter containing 11 recommendations to improve financial statement reporting and internal controls.</li> <li>• The Agency accepted 90% of audit recommendations..</li> <li>• .All audits were performed within 6 months.</li> </ul> <p>See Attachment I for details of inspections and audits.</p> <ul style="list-style-type: none"> <li>• Inspections often provide assurance to the Board and management that programs are working efficiently. Such is the case with the leave bank program, the purchase</li> </ul>	<p>FCA programs and operations are more effective. Waste in Agency programs and operations is reduced. Better business practices are initiated.</p> <ul style="list-style-type: none"> <li>• FCA continues to improve and develop mechanisms to streamline budget data to products and services.</li> <li>• The Office of the Chief Financial Officer cross-trained employees developing their skills in critical areas. Staff meetings improve communication and foster teamwork. Costs associated with the development of products are closely reviewed by management.</li> <li>• FCA's Contracting Activity puts additional emphasis on ensuring procurements are competed for the best value. Policy and procedures have been updated to ensure FAR guidance is included.</li> <li>• Audit follow-up has more focus. The Agency openly strives to address open recommendations as quickly as possible.</li> <li>• Unqualified opinion for Agency financial statements. Security of information is validated through GISRA review.</li> <li>• Refined Agency process for forwarding money solicitation schemes and Nigerian scams to proper law enforcement.</li> <li>• Outlined factors for the Agency to market FCA as outstanding place to work to attract valuable candidates.</li> </ul> <p>FCA is more effective in carrying out its mission.</p> <ul style="list-style-type: none"> <li>• A review of the Early Warning System of the FCS institutions provoked thought on whether the Early Warning System is actually predictive or reflective of economic conditions.</li> </ul>

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card program and current bar membership for Agency attorneys. Management agreed to implement some practices to improve the personnel security program, purchase card practices and validating credentials of attorneys. Inspections are often completed in less than 3 months.	

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Performance Goal 2 – Provide technical advice and assistance to Agency officials in developing sound management information and financial reporting systems and in streamlining programs and organizations.	
Output/Criteria	Outcome/Impact
<p>Assist the Agency in building continuous, meaningful measures with outcomes important to their stakeholders.</p> <p>The IG advises the Chairman concerning policy direction or administrative priorities.</p> <ul style="list-style-type: none"> <li>• Two surveys are conducted by the OIG to obtain useful information on products and services of the Agency. One survey involves the effectiveness of the examination function. The other survey involves the effectiveness of the regulations produced. Results are benchmarked from year to year. Survey results are used by the Agency for ongoing performance measurement.</li> </ul> <p>OIG performs analysis and provides technical advice to management concerning accounting, management systems and controls, and performance measures.</p> <ul style="list-style-type: none"> <li>• Four advisories were issued. Governance, payment of fees for professional memberships of staff and effective ways to deal with purchase and travel card abuse were the areas addressed. OIG suggested ways to strengthen internal controls and more efficiently manage the programs.</li> <li>• OIG also communicated to management by providing information and suggestions on copyright, building security, and exit interviews of departing employees.</li> <li>• The IG identifies management's top challenges in the semiannual reports, the Agency's performance report, and the audit of the financial statement.</li> <li>• OIG was asked to lead efforts in providing training in the area of security and identity theft. OIG coordinated analysis of suspicious mail for anthrax. OIG was also asked to join with the Agency on updating the Continuity of Operations plan.</li> </ul>	<p>OIG input and advice contributes to Agency decisions and actions that are more complete and valid at their inception.</p> <p>Increase in management requests for advice, audit work or technical assistance.</p> <ul style="list-style-type: none"> <li>• Regularly, management requests OIG to validate changes in business practices. OIG is a laboratory of change, a model for best practices. The Agency has based revised performance evaluation plans on those used by OIG. The OIG's budget preparation with linkage to performance measures was used as a model for the Agency.</li> <li>• Management requested OIG to observe the FCA's Compensation workgroup.</li> </ul>

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Performance Goal 3 – Continuous improvement of OIG staff, products and internal administration. Quality is highly valued.	
Output/Criteria	Outcome/Impact
<p>Customer survey feedback is used to improve products and services.</p> <ul style="list-style-type: none"> <li>• Audit feedback averaged to a rating of 4.5 (5 being the highest grade and 1 the lowest) The OIG team is developing feedback instruments for inspections and other reviews, as well.</li> </ul> <p>OIG training ensures the technical proficiency of staff.</p> <ul style="list-style-type: none"> <li>• The OIG team has taken generalized leadership training courses: Council for Excellence in Government, Dale Carnegie and Agency Leadership, Problem Solving, Ethics, and Creative Thinking courses. In addition, more specialized courses have been pursued, to include: Critical Infrastructure, CFO Reporting: Preparing Federal Financial Statements, Contracting, and the Directors of Investigators Conference. The OIG team also stays current in FCA operational training courses and strategic management initiatives.</li> </ul> <p>OIG implements administrative improvements identified through reviews of other Agency programs and through staff involvement with the professional community.</p>	<p>Peer review reports provide an unqualified opinion that OIG audit work meets or exceeds quality audit standards prescribed by GAO and the PCIE/ECIE.</p> <ul style="list-style-type: none"> <li>• Peer review of OIG audit component was last conducted in 2000. A peer review is due in 2003.</li> <li>• OIG participated in a pilot peer review of the investigation function.</li> </ul> <p>Customer survey feedback evidences increased satisfaction with report practices.</p> <ul style="list-style-type: none"> <li>• Audit survey feedback received was positive. On a scale of 1 to 5 (5 being the highest grade), survey results is 4.5. FY 2001 rating was 4.4.</li> </ul> <p>The IG's opportunity to facilitate positive change within the Agency is enhanced by the quality and credibility of OIG products and advice.</p>

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**Objective:** Investigate observed, alleged or suspected wrongdoing to prevent and detect fraud, waste, abuse and mismanagement in Agency programs and operations.

**Performance Goal 1 – Administrative and criminal violations relating to FCA programs and personnel are effectively investigated and reported. Agency officials and Congress are informed of problems.**

Output/Criteria	Outcome/Impact
<p>Investigative reports are timely and presented in an objective and factual manner. Memoranda are issued to management describing internal control weaknesses or program deficiencies found during the investigative process with suggestions to prevent and/or detect future wrongdoing.</p> <ul style="list-style-type: none"> <li>• One investigation was open at the beginning of FY 2002; four additional investigations were opened during the year. Two were unsubstantiated and closed. The US Attorneys office declined prosecution of one case that has been referred to Agency management for administrative action. Two management advisories addressing program deficiencies stemmed from investigations.</li> <li>• Investigations took from one to three months. Unsubstantiated investigations were closed within two months.</li> </ul>	<p>Administrative action, convictions or pleas are obtained for employees and/or contractors found guilty of wrongdoing. Management actions taken against employees serve as a deterrent to future wrongdoing.</p> <p>FCA internal policies, procedures and controls are strengthened to prevent and/or detect future wrongdoing.</p> <p>Public confidence in the integrity of FCA programs and internal operations are heightened.</p> <ul style="list-style-type: none"> <li>• Investigations involving purchase and travel card abuses led to a tightening of controls over the credit cards.</li> </ul>

**Performance Goal 2 – FCA employees and managers recognize their responsibility to immediately report observed or suspected wrongdoing to the IG.**

Output/Criteria	Outcome/Impact
<p>Allegations of wrongdoing are received in a timely manner and are supported by specific information.</p> <ul style="list-style-type: none"> <li>• Some anonymous complaints are vague, lacking sufficient information to pursue an investigation. As a result, OIG is developing ways to obtain further information.</li> </ul>	<p>Investigations are more successful because they are initiated in a timelier manner and have better information.</p> <p>FCA employees are more willing to report real or suspected wrongdoing because they trust the competence and fairness of OIG's investigations.</p> <ul style="list-style-type: none"> <li>• OIG receives allegations through the hotline mechanisms and through anonymous correspondence. Agency management notifies the OIG team when anonymous allegations are sent to them.</li> </ul>

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Objective: Review and make recommendations regarding existing and proposed legislation and regulations relating to Agency programs and operations and the Inspectors General Community.

Performance Goal I – Maintain an effective program for reviewing and commenting on proposed and existing legislation and regulations affecting the Agency and the IG community.	
Output/Criteria	Outcome/Impact
<p>Processes are established and documented for identifying and circulating (as appropriate) relevant documents.</p> <ul style="list-style-type: none"> <li>• Legislation is tracked on a daily basis. The PCIE/ECIE legislation committee is active in forwarding interest items. Regulation review will be streamlined for earlier review of proposed regulations.</li> </ul> <p>Constructive comments on relevant documents are submitted by the deadlines requested by the office, Agency, or staff circulating comments.</p>	<p>OIG input is part of the decision making process in approving or amending legislation, regulations, circulars and other policy positions.</p> <p>Constructive criticism and creative alternatives offered in OIG comments improve the quality and usefulness of documents initiated by the Agency.</p> <p>FCA Board and management are informed about the status of new or pending legislation or regulations initiated externally.</p> <ul style="list-style-type: none"> <li>• The FCA revised a policy on relocation of field offices based on an amendment to the Rural Development Act and a report made by the IG.</li> <li>• The ECIE prepared a response to a GAO report on whether offices of inspectors general should be consolidated. A response was drafted emphasizing the differences in mission, size and structure of other agencies.</li> <li>• ECIE IGs advanced support for a legislative effort to have the Program Fraud Civil Remedies Act made applicable to a broader (more than cabinet level) range of Agencies.</li> </ul>

## OFFICE OF INSPECTOR GENERAL FY 2002 PERFORMANCE MEASURES

**Objective:** Work with our Agency head and the Congress to improve program management; and work with the Inspectors General community and other related organizations to address government wide issues.

Performance Goal 1 – Agency personnel understand and accept OIG’s role within FCA and the community at large.	
Output/Criteria	Outcome/Impact
<p>Develop and maintain educational brochures or pamphlets describing OIG roles and activities.</p> <ul style="list-style-type: none"> <li>• An OIG policy concerning reporting of illegal acts was revised.</li> </ul> <p>Facilitate feedback from Agency employees and refine products and practices based on the feedback to OIG products and educational materials.</p>	<p>Agency employees’ acceptance of and cooperation with OIG activities is improved through better understanding. OIG programs and products are improved through feedback from Agency employees.</p> <ul style="list-style-type: none"> <li>• Discussions during the Government Purchase Card Inspection led to a realignment of responsibility (within the Agency) over the corporate credit card. Suggestion by OIG and feedback by Agency employees resulted in a solution that was agreeable to all concerned.</li> </ul>
Performance Goal 2 – OIG staff provides leadership to organizations directly contributing to the IG community.	
Output/Criteria	Outcome/Impact
<p>Time and resources are provided to OIG staff members as an incentive to contribute to outside organizations by serving on committees and holding offices.</p> <ul style="list-style-type: none"> <li>• OIG staff actively participated in the Executive Committee on Integrity and Efficiency (ECIE), Association of Government Accountants (AGA), Council of Counsels (CCIG) (co-chair), International Association of Financial Crime, Instructor at the Inspectors General Auditor Training Institute (IGATI), GPRR Roundtable, Employee Council, Council for Excellence in Government, Senior Staff, Accountability Report Workgroup, Federal Women’s Program Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Projects and activities of adjunct organizations such as the AGA, IIA, PCIE/ECIE, CCIG, FLETC, and IGATI are improved by OIG staff contributions and participation</li> </ul>
Performance Goal 3 – OIG staff provides leadership to organizations directly contributing to the IG community, the Agency and the government	
Output/Criteria	Outcome/Impact
<ul style="list-style-type: none"> <li>• OIG networking opportunities have resulted in an expanded consideration of FCA ideas and practices by community contacts and experts. OIG has shared telecommuting policies, hotline procedures, performance measures and performance contracts and evaluation methods. Likewise, FCA benefits from the opportunity to benchmark practices in other Agencies.</li> </ul>	<p>FCA programs and operations are more effective and efficient.</p> <ul style="list-style-type: none"> <li>• OIG has a goal to help the Agency build continuous, better, concrete measures with outcomes important to its stakeholders.</li> <li>• OIG assisted the Agency in improving electronic communication by making accessibility to a point of contact more readily available.</li> <li>• OIG assisted the Agency is drafting budget call instructions and performance budgeting information.</li> </ul>

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AUDIT RESULTS

AUDIT NAME	AUDITS ARE RELEVANT	RISK IS ADDRESSED	PRODUCTS ARE TIMELY	AUDITS ARE CONSTRUCTIVE	AGENCY ACCEPTS 80%
<i>Office of the Chief Financial Officer</i>	OIG Initiated	Strategic Plan	5 Months	9 Agreed Upon Actions	Accepted all; 6 implemented.
<i>FY 2001 Financial Statements</i>	Annual Audit (Voluntary Compliance with CFO Act)	Strategic Plan	5 Months	No findings. Management Letter	Accepted Findings. Working on closing.
<i>FCA Contracting Activity</i>	OIG Initiated	Strategic Plan	6 Months	8 Agreed Upon Actions; 2 Recommendations	Accepted 8; 6 Implemented; 2 recommendations rejected.

INSPECTIONS

INSPECTION NAME	INSPECTIONS ARE RELEVANT	PRODUCTS ARE TIMELY	INSPECTIONS ARE CONSTRUCTIVE	AGENCY ACCEPTS 80%
<i>Personnel Security Program</i>	OIG Initiated	4 Months	6 Agreed Upon Actions	Accepted all ; all implemented.
<i>Leave Bank Program</i>	OIG Initiated	2 Months		No recommendations.
<i>Bar Status of FCA Attorneys</i>	OIG Initiated	2 Months	1 Agreed Upon Action	Implemented.
<i>Government Purchase Card</i>	OIG Initiated	3 Months	6 Agreed Upon Actions	5 Implemented.

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REVIEWS

*Government Information Security Reform Act* - Legislatively mandated. Performed in 2 months. No material findings.

*Early Warning System Review*- OIG initiated. Suggestions made.